

Message Text

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PAGE 01 BEIRUT 03173 201223Z

40

ACTION EB-11

INFO OCT-01 NEA-10 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

 DOTE-00 INR-10 NSAE-00 RSC-01 FAA-00 XMB-07 L-03

 TRSE-00 DRC-01 (ISO) W
 031007

R 201014Z MAR 74

FM AMEMBASSY BEIRUT

TO SECSTATE WASHDC 6975

AMEMBASSY JIDDA

INFO FAA/BRUSSELS

C O N F I D E N T I A L BEIRUT 3173

DEPT PASS COMMERCE FOR COHEN AND EXIMBANK

E.O. 11652: GDS

TAGS: ETRN, SA

SUBJECT: CVAIR - SAUDIA REEQUIPMENT

REF: JIDDA 1317

1. ROGER TODD (LOCKHEED-CALIFORNIA SALES DIRECTOR MIDDLE EAST AND LOCKHEED AIRCRAFT MIDDLE EAST VICE PRISIDENT) CONFIRMS SUBSTANCE REFTEL THAT NEW, MORE DEFINITIVE LETTER-OF-INTENT (REPLACING PREVIOUS LETTER-OF-INTENT SIGNED DEC. 1973) HAS BEEN SIGNED BY SAUDIA, SUBSEQUENT TO MEETING SAUDIA BOARD OF DIRECTORS MARCH 16, FOR TWO WIDEBODIED L-1011-1 TRISTARS FOR DELIVERY JUNE AND JULY 1975. HOWEVER, SUBSEQUENT TO CALLING ON AMBASSADOR AKINS MARCH 18, TODD HAD FURTHER DISCUSSIONS WITH SAUDIA WHICH INDICATED LETTER-OF-INTENT, BACKED UP BY \$500,000 DEPOSIT HELD IN ESCROW, STILL SUBJECT TO AIRLINE'S EVALUATION OF MCDONNELL DOUGLAS PROPOSAL FOR TWO WIDEBODIED DC-10 TRIJETS (SERIES 10, SERIES 30, OR SERIES 40). THIS PROPOSAL WAS TO HAVE BEEN HAND-CARRIED BY GEORGE POHLE, DOUGLAS AIRCRAFT COMPANY DIRECTOR MIDDLE EAST, MARCH 18 BUT HAS INSTEAD BEEN DISPATCHED TO JIDDA BY POHLE VIA SAUDIA COMPANY MAIL.

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PAGE 02 BEIRUT 03173 201223Z

2. LOCKHEED STILL FAIRLY CONFIDENT THAT LETTER-OF-INTENT WILL BE TRANSFORMED TO FIRM ORDER BY MARCH 28, PARTICULARLY SINCE SAUDIA HAS PAID EARNEST MONEY OF \$500,000. IT APPEARS OBVIOUS THAT AS RESULT OF SAUDIA BOARD MEETING MARCH 16, THERE HAS BEEN DEFINITIVE FORWARD AIRLINE MOVEMENT ON ACQUISITION OF LOCKHEED TRISTARS. FURTHER, PROBABLE BOEING GAME-PLAN FOR AIRLINE TO FOREGO WIDEBODIED ACQUISITIONS AT THIS TIME IN FAVOR OF MORE NARROWBODIED BOEING 707-320C'S WAS APPARENTLY REJECTED BY SAUDIA'S BOARD, IN LOCKHEED'S VIEW.

3. TODD CONFIRMS THAT SAUDIA WILL, IF ORDER FINALIZED, DEPLOY THE TWO TRISTARS, MODIFIED VERSIONS OF THE L-1011-1, WITH HIGHER MAXIMUM GROSS TAKEOFF WEIGHTS OF 450,000 LBS. AS COMPARED TO 430,000 LBS. FOR STANDARD VERSION AND, THEREFORE, ENHANCING RANGE OF AIRCRAFT TO MEET LONGER SECTOR REQUIREMENTS (I.E., JIDDA-LONDON), ON MAINLINE ROUTE JIDDA-RIYADH-DHAHRAN AND ALSO ON SAUDIA'S VERY SUCCESSFUL JIDDA-CAIRO TURNAROUND SERVICES. TODD ALSO BELIEVES THE TRISTARS WILL BE DEPLOYED ON SCHEDULED SERVICES BETWEEN SAUDI ARABIA AND EUROPE (I.E., DHAHRAN-RIYADH-JIDDA-ROME-LONDON, RIYADH-JIDDA-ROME-GENEVA-FRANKFURT). VALUE OF ORDER APPEARS TO BE APPROXIMATELY \$55 MILLION. GODLEY

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